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United States Attorney  
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## **NEWS RELEASE**

Paul J. McNulty, United States Attorney for the Eastern District of Virginia, announces that Stephen D. Wiley, age 45, of Chesapeake, Virginia, pled guilty to a single count criminal information charging him with conspiracy to pay illegal gratuities. Sentencing has been set for November 22, 2005, at which time he faces a maximum penalty of five years of imprisonment, a \$250,000 fine, and restitution.

The criminal information, filed on June 30, 2005, alleges that Stephen D. Wiley, Vice President of Expedited Cargo Service Incorporated, paid illegal gratuities to a government contractor at the Norfolk Naval Shipyard in Portsmouth, Virginia, in exchange for government contracts involving bills of lading for freight shipment from Norfolk Naval Shipyard.

In early 2003, Wiley began providing items of value to government employees of the Fleet and Industrial Supply Center Detachment located on the Norfolk Naval Shipyard in Portsmouth, Virginia, in return for continuing to award Government Freight Transportation contracts to Expedited Cargo Service Incorporated. These items of value included predominantly food items in the form of lunches and dinners at various restaurants in the Hampton Roads area.

From August 2003 through August 2004, Wiley agreed to provide cash payments to the Norfolk Naval Shipyard government contractor. There were approximately 41 separate cash payments each ranging from \$1,000 to \$4,600. The payments totaled approximately \$76,000 and were made either directly to the government contractor or into the contractor's bank account. The payments were disguised as commission payments to a contractor of Expedited Cargo Service Incorporated. The cash payments were made in return for the award of government freight transportation bills of lading to Expedited Cargo Service Incorporated.

The investigation was conducted by the Naval Criminal Investigative Service, Defense Criminal Investigative Service, Defense Contract Audit Agency, and the Federal Bureau of Investigation. Assistant United States Attorney Robert J. Seidel, Jr. is the prosecutor in this case.

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